GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2167
ANSWERED ON:10.03.2016
New Funding Model for NHs
Kamaraaj Dr. K.;Sawaikar Shri Advocate Narendra Keshav

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Government has introduced a new funding model for National Highways (NHs) that are built and maintained by the State Government Agencies;

(b) if so, the details thereof and the reaction of the State Governments thereto;

(c) the percentage of funds to be provided by the Union Governments for stretches that are financially unviable;

(d) whether the State Governments are allowed to float tenders for development of highways under built, operate and transfer scheme; and

(e) if so, the guidelines issued by the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)

(a) to (e) In order to encourage private sector participation through adequate incentives, a new Hybrid Annuity model has been approved by the Government for implementation of highway projects through Central as well as State Government Agencies. As per this model, 40% the Project Cost is to be provided by the Government as 'Construction Support' to the private developer during the construction period and the balance 60% as annuity payments over the concession period along with interest on outstanding amount to the concessionaire. After sanction of the proposal by the Government, bids are invited by the Central/ State Government based on the cost of work as per Ministry's extant guidelines issued from time to time.
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